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Intelligence Memorandum

US-Soviet Economic Agreements Since the Summit

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May 1973

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May 1973

 US-Soviet Economic Agreements
 Since the Summit

During the period July-August 1972 the USSR contracted for almost 19 million metric tons of US grain, most of which will be shipped during 1973. The f.o.b. value of the grain is roughly US \$1.1 billion. Together with 1 million tons of soybeans, the total bill will exceed \$1.2 billion plus transportation costs. Roughly \$500 million of the total will be financed by three-year CCC credits. Some of the remaining \$700 million will be financed by Eurodollar loans, and it may be necessary for the USSR to sell gold to help pay for the grain. The contracts concluded are listed in Attachment A.

Since the 1972 summit there has been a proliferation of agreements and contracts concluded between US firms and Soviet organizations. The volume of machinery and equipment contracts in the period since the summit was double that of any corresponding period since the end of World War II. Known contracts totaled roughly \$475 million during the period 1 June 1972 through 30 April 1973. Of this total, roughly \$200 million in contracts were for motor vehicle manufacturing, including about \$100 million for the Kama River Truck Plant. Two large [redacted]

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[redacted] garnered more than \$100 million in orders. Of the contracts included above, roughly \$200 million are known to involve Eximbank and private financing. The machinery and equipment contracts are listed in Attachment B.

Other important agreements include the 20-year, \$8 billion barter transaction concluded [redacted] to export fertilizer production equipment and superphosphates in exchange for Soviet liquid ammonia and urea products. This and other contracts and agreements are listed in Attachment C, and known licensing agreements are listed in Attachment D.

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Attachment A

Agricultural Products

<u>Date</u>	<u>Firm</u>	<u>Product</u>	<u>Thousand Metric Tons</u>	<u>Million US \$</u>
Jul-Aug 1972		Corn	7,200	439.2
Jul-Aug 1972		Wheat	5,000	300.0
Jul-Aug 1972		Wheat	1,900	114.0
Jul-Aug 1972		Wheat	550	33.0
Jul-Aug 1972		Wheat	2,360	141.6
Jul-Aug 1972		Wheat	630	37.8
Jul-Aug 1972		Wheat	550	33.0
Nov 1972		Rye	350	17.5
Total			18,540	1,116.1
Jul 1972		Soybeans	1,000	125.0
Feb 1973		Lemons	5.2	1.4
Total agricultural products				1,242.5

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Attachment B

Machinery and Equipment

Date	Firm	Product	Million US \$
Jun 1972		Machine tools and transfer line for Gorkiy Auto Plant	21.0
Jun 1972		Two piston lines	10.5
Jul 1972		22 heat treating furnace lines for Kama	5-10
Aug 1972		Crawler tractors and other equip- ment	40.0
Oct 1972		22 electric arc furnaces for Kama	15.0
Oct? 1972		Transfer line for Kama	19.0
X1 Oct 1972		Coil coating technology	12.0
Oct 1972		Tractors and pipelayers	68.0
Nov 1972		Equipment for tableware factory	6.9
Dec 1972		Heat treating equipment for Kama	13.4
Dec 1972		Conveyor design and equipment for Likhachev Auto Plant	10.0
Dec 1972		Machine tools for brake drums for Likhachev Auto Plant	12.0
Dec 1972		Oil well pumps	6.0
Dec 1972		381 pneumatic conveyor units for grain	38.0

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Date	Firm	Product	Million US \$
Dec 1972		Metal cutting and plating equipment and technology Note: Machinery and equipment will come from [redacted] [redacted] will be repaid in Soviet nickel over 5 years (See Attachment C, below)	40.0 25X1 25X1
Dec 1972		Machine tools for crankshaft transfer line for Kama	9.0
Jan 1973		Electric submersible pumping units and associated apparatus	20.0
Jan 1973		Race grinders, for Kama	7.6
Feb 1973		Automatic molding machine system for engine blocks for Kama	30.0
Mar 1973		Automatic and mechanical pouring equipment for Kama	5.0
Apr 1973		35 shot blasting machines to Kama	10.0
Apr 1973		Tableware factory	22.7
Apr 1973		Two automatic truck assembly conveyor systems for Likhachev Auto Plant	13.4

Smaller machinery and equipment contracts -- roughly 35 -- have been concluded since the May 1972 summit. Values for some of them are not known. Those for which a value was given totaled about \$43 million and are combined in the following listing, by category.

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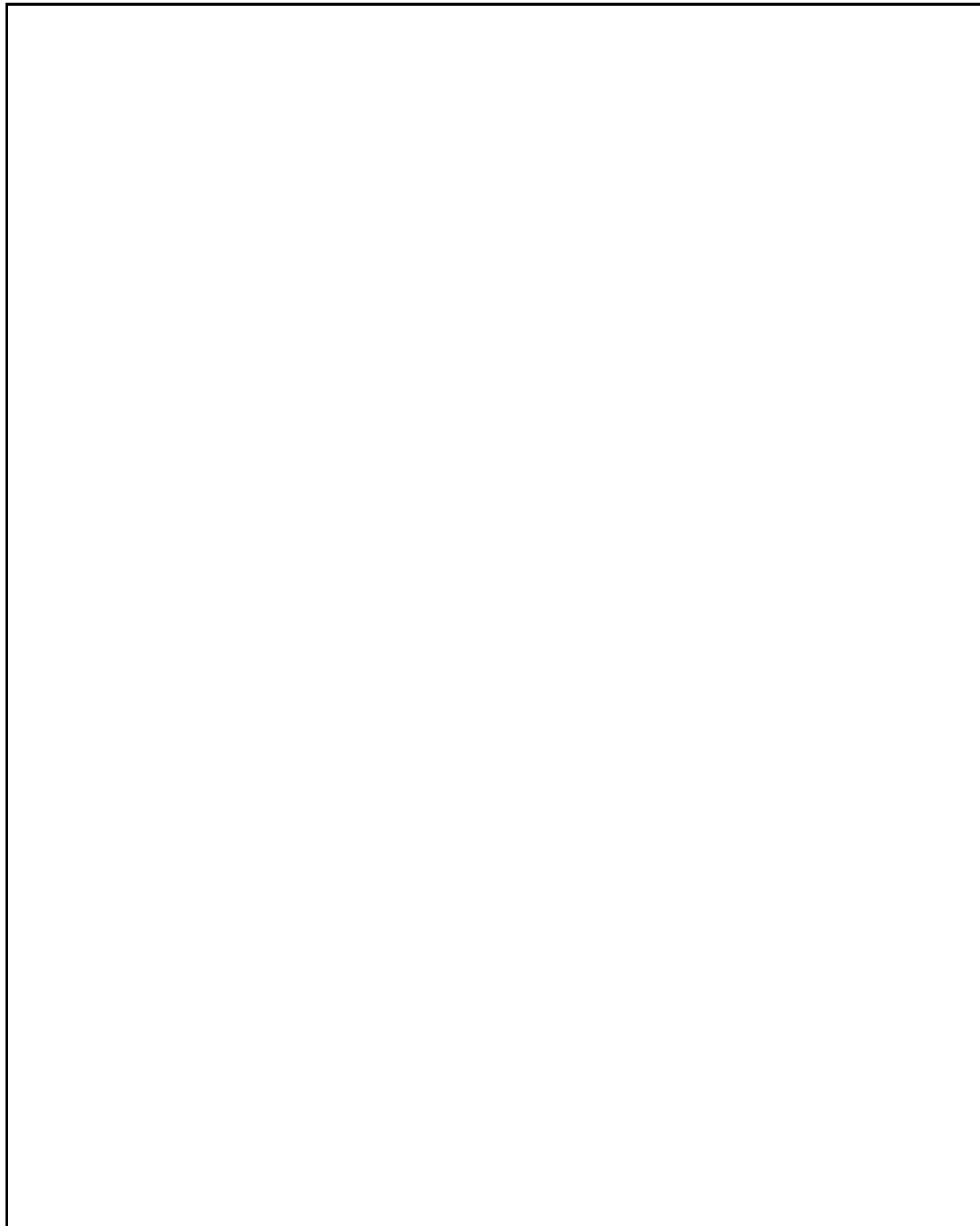
	<u>Million US \$</u>
Chemical and petrochemical equipment	8.0
Oil refining and pipeline equipment	2.3
Metalworking and metallurgical equipment	2.6
Electronics	12.3
Motor vehicle manufacturing equipment	5.9
Mining and construction equipment	2.9
Other	8.7

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Attachment C

Other Agreements

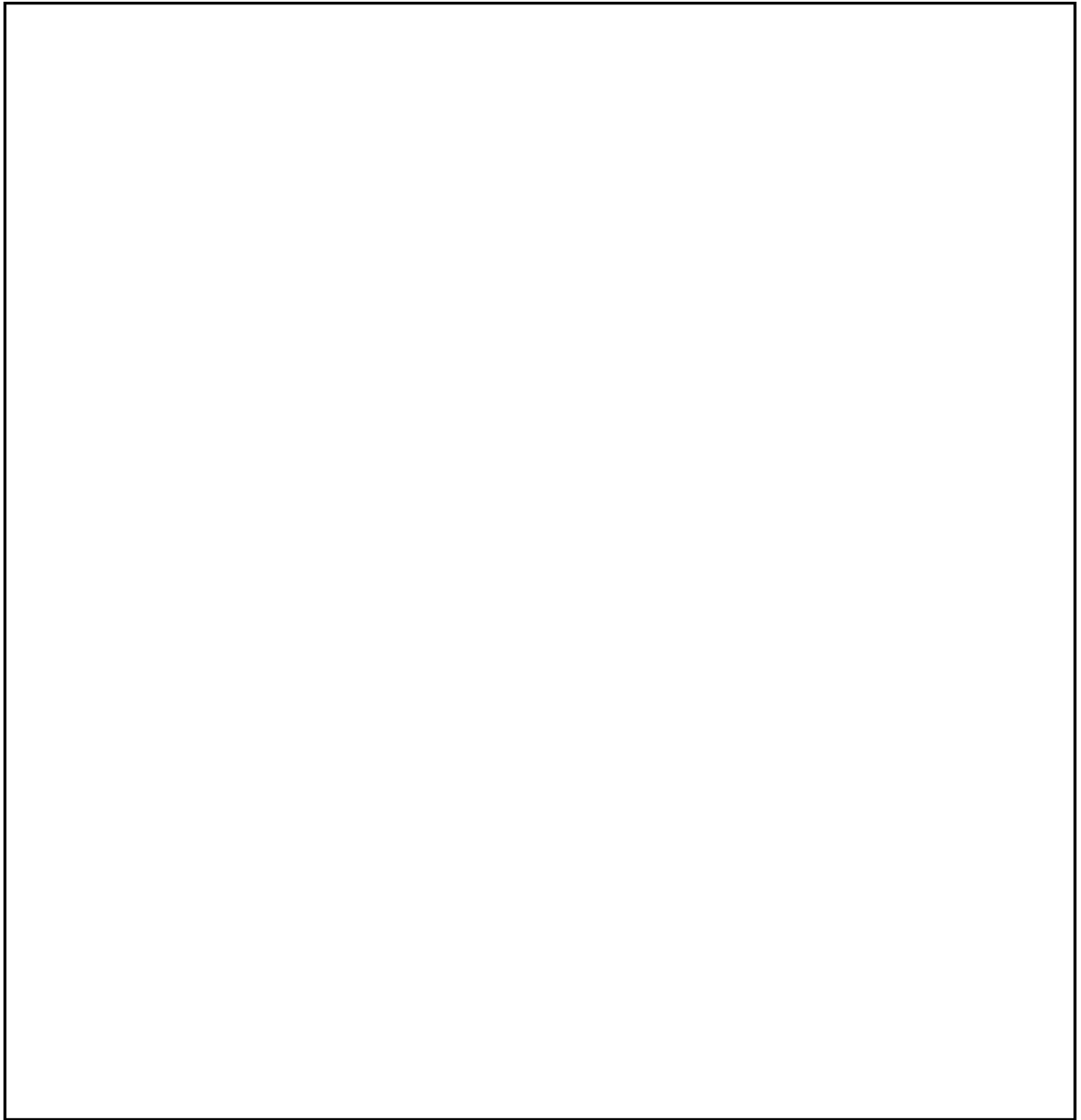


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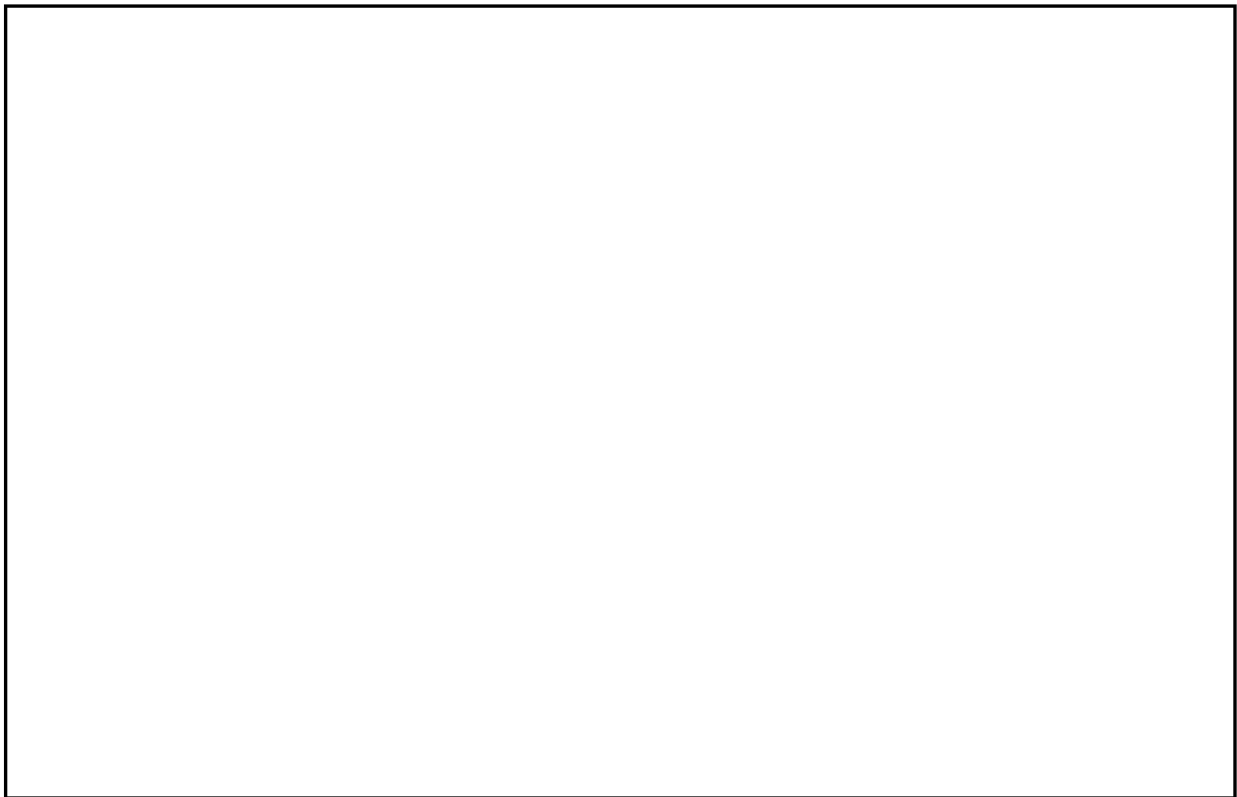
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Attachment D

Licenses

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